Fiscal Estimate - 2011 Session

Original Updated	Corr	rected	Supplemental		
LRB Number 11-1110/1	Introducti	ion Number A	B-0033		
Description Creating an individual income tax deduction for university	or certain residents of	f this state who gradu	ate from a college		
Fiscal Effect					
Appropriations Re	crease Existing evenues ecrease Existing evenues		s - May be possible n agency's budget \to No		
Local: No Local Government Costs Indeterminate 1. Increase Costs Permissive Mandatory 2. Decrease Costs Permissive Mandatory Permissive Mandatory Permissive Mandatory Permissive Mandatory Decrease Revenue Permissive Mandatory Permissive Mandatory Districts					
Fund Sources Affected Affected Ch. 20 Appropriations					
☐ GPR ☐ FED ☐ PRO ☐ PRS [SEG SEGS				
Agency/Prepared By	Authorized Signa	ature	Date		
DOR/ Bradley Caruth (608) 261-8984	Rebecca Boldt (60	Rebecca Boldt (608) 266-6785 3/4/2011			

Fiscal Estimate Narratives DOR 3/4/2011

LRB Number 11-1110/1	Introduction Number	AB-0033	Estimate Type	Original
Description Creating an individual incomor university	e tax deduction for certain res	idents of this	state who gradua	te from a college

Assumptions Used in Arriving at Fiscal Estimate

This bill creates an individual income tax subtraction for up to \$1,000 of earned income by an individual who is a year-round resident of Wisconsin and who graduates from a regionally accredited college or university. The subtraction may be claimed by an individual only for the first five years following the year in which his or her bachelor's degree is awarded.

Using data from the U.S. Census Bureau, it is estimated that approximately 104,200 Wisconsin residents are within five years of having received a bachelor's degree. Applying the average marginal income tax rate of 5.1%, it is estimated that the bill will reduce revenue by \$5.3 million annually (104,200 x \$1,000 x 5.1%).

Long-Range Fiscal Implications

Fiscal Estimate Worksheet - 2011 Session

Detailed Estimate of Annual Fiscal Effect

Original Updated	Corrected	Supplemental				
LRB Number 11-1110/1	LRB Number 11-1110/1 Introduction Number AB-0033					
Description Creating an individual income tax deduction to college or university	for certain residents of this state	e who graduate from a				
I. One-time Costs or Revenue Impacts for annualized fiscal effect):	State and/or Local Governme	ent (do not include in				
II. Annualized Costs:	Annualized Fisc	Annualized Fiscal Impact on funds from:				
	Increased Costs	Decreased Costs				
A. State Costs by Category						
State Operations - Salaries and Fringes	\$	\$				
(FTE Position Changes)						
State Operations - Other Costs						
Local Assistance						
Aids to Individuals or Organizations						
TOTAL State Costs by Category	\$	\$				
B. State Costs by Source of Funds						
GPR						
FED						
PRO/PRS						
SEG/SEG-S						
III. State Revenues - Complete this only w revenues (e.g., tax increase, decrease in I		[,] decrease state				
	Increased Rev	Decreased Rev				
GPR Taxes	\$	\$-5,300,000				
GPR Earned						
FED						
PRO/PRS						
SEG/SEG-S						
TOTAL State Revenues	\$	\$-5,300,000				
NET ANNUA	ALIZED FISCAL IMPACT					
	<u>State</u>	<u>Local</u>				
NET CHANGE IN COSTS	\$	\$				
NET CHANGE IN REVENUE	\$-5,300,000	\$				
Agency/Prepared By	Authorized Signature	Date				
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